

ADDENDUM TO SUBLEASE AGREEMENT

This Addendum to Sublease Agreement (the "Addendum") is effective as of March 22, 2021 (the "Effective Date"), by and between Carpenter Commercial Properties LLC, Sublessor, ("CCP") and West One Automotive Group Inc., Sublessee ("West One").

RECITALS

A. Effective on or about September 9, 2003, CCP and West One entered into a Sublease Agreement (the "Sublease") for the sublease of a portion of real property in Salem, Marion County, Oregon, (the "Premises") leased by CCP from the City of Salem, and part of the property known as McNary Field. A copy of the signed Sublease is attached hereto as Exhibit A, and incorporated by this reference.

B. West One is subleasing the Premises for the purpose of a Hertz regional car rental support facility, which business will engage in the leasing, renting, selling and servicing of motor vehicles.

C. West One is in default under the Sublease for failure to pay rent to CCP when due as a result of financial hardship caused by the Covid-19 pandemic. There is currently an amount due and owing from West One to CCP the principal amount of \$74,303.75 (the "Past Due Rent"), together with CCP's attorney fees and costs, as agreed upon in Section 3 below.

D. CCP has agreed to apply for a grant from the Commercial Rent Relief Program through the State of Oregon (the "Rent Relief Program") with the participation and cooperation of West One. CCP will seek a grant for the entire amount of the Past Due Rent. West One agrees to participate with the application process.

E. West One has applied for the Paycheck Protection Program through the Small Business Administration, which has been approved by Umpqua Bank. It is being processed by SBA, and the date of distribution is anticipated to be before April 30, 2021.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CCP and West One agree as follows:

SECTION 1. West One agrees to take all actions reasonably necessary for CCP's approval of a grant under the Rent Relief Program, including but not limited to, the timely submission of information requested by the State of Oregon.

SECTION 2: West One will make a good-faith payment in the amount of \$30,000 ("Interim Payment") on or before March 26, 2021 to CCP which will be allocated as described below.

SECTION 3: West One will pay \$1,500 to CCP for CCP's attorney fees and costs arising from West One's payment default and this Addendum. The Interim Payment will be applied first towards CCP's attorney fees and costs, and then as described below.

SECTION 4. Beginning on July 1, 2022, the Additional Rent due quarterly under the Sublease shall increase annually by the lesser of an amount equal to (a) the percentage increase of the Consumer Price Index published by the United States Bureau of Labor Statistics based on the Western Region, all items (i.e. CPI-U) or (b) one hundred and three percent (103%) of the rent payable during the immediately preceding lease year.

SECTION 5. On or before April 1, 2021, West One will make a payment of \$22,000 to be applied towards the quarterly rent due on April 1, 2021. West One will pay the remaining balance of the April 1, 2021 quarterly rent payment, in the amount of \$7,721.50, on or before May 1, 2021. All other payments due under the Sublease shall be due on the same schedule provided in the Sublease, beginning with the quarterly payment due on July 1, 2021.

SECTION 6. If CCP receives a grant from the Rent Relief Program for the full amount of the Past Due Rent:

- 6.1 West One will no longer owe the Past Due Rent to CCP, as all such sums are forgiven pursuant to the Rent Relief Program.
- 6.2 West One will not be required to pay an additional amount each month to cover any Past Due Rent.
- 6.3 West One will not be required to pay a down payment of any kind.
- 6.4 West One will make all quarterly payments from the date of this executed Sublease Addendum, for the entire amount of the quarterly Base and Additional Rent amount due, pursuant to the Sublease, with no reduction or abatement.
- 6.5 The Interim Payment will be applied towards West One's obligations under the Sublease.

SECTION 7. If CCP does not receive a grant from the Rent Relief Program:

- 7.1 The Interim Payment will be applied toward the Past Due Rent balance due and owing to CCP.
- 7.2 Beginning July 1, 2021, the remaining Past Due Rent balance owing to CCP will be amortized over a period of 24 months and shall be paid as additional monthly rent due from West One.
- 7.3 For the periods of July 1, 2021 and October 1, 2021, CCP will grant West One a ten percent (10%) temporary rent reduction for the Base Rent and Additional Rent owed by West One.

SECTION 8. If CCP receives a grant from the Rent Relief Program for less than the full amount of the Past Due Rent:

- 8.1 The Interim Payment will be applied toward the Past Due Rent balance due and owing to CCP.
- 8.2 Beginning July 1, 2021, the remaining Past Due Rent balance owing to CCP will be amortized over a period of 24 months and shall be paid as additional monthly rent due from West One.
- 8.3 For the periods of July 1, 2021 and October 1, 2021, CCP will grant West One a ten percent (10%) temporary rent reduction for the Base Rent and Additional Rent owed by West One.

SECTION 9. Miscellaneous Terms.

a. *Incorporation of Recitals.* The Recitals contained in this Addendum are hereby incorporated as terms herein.

b. *Consistency with the Sublease.* This Addendum is executed in addition to the terms contained in the Sublease by written agreement of all of the parties thereto, with all terms, conditions, representations, warranties, obligations, recitals, and covenants contained in the Sublease surviving the execution of this Addendum and remaining in full force and effect therein.

c. *Sublease Controlling for All Other Terms.* Except for those specific terms and Sections of the Sublease modified or clarified in this Addendum, the terms of the Sublease shall remain controlling as to all other terms and conditions. In the event there is a conflict with the terms in this Addendum and the Sublease, the terms of this Addendum shall control.

d. *Severability.* If any provision of this Addendum shall be held to be unenforceable or invalid for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Addendum shall be deemed valid and enforceable to the fullest extent.

IN WITNESS WHEREOF, the parties have executed this Addendum, effective as of the date first written above.

SUBLESSOR

SUBLESSEE

By: Virginia L Carpenter
Virginia L. Carpenter, President
On Behalf of Carpenter Management
Services, Inc.,
Manager of Carpenter Commercial
Properties, LLC

By: David S. Brown
David S. Brown, President/CEO
On Behalf of West One
Automotive Group

SUBLEASE

Effective Date: This ___ day of _____, 2003

Sublessor: Carpenter Commercial Properties LLC (hereinafter CCP)

Sublessee: West One Automotive Group Inc. (hereinafter West One)

RECITALS

1. On or about June 21, 1999 CCP entered into a written Lease Agreement with the City of Salem, a municipal corporation pertaining to certain real property owned by the City of Salem at its airport known as McNary Field ("the Main Lease").
2. A copy of the Main Lease is attached and incorporated as Exhibit A. Attached to the Main Lease is a parcel map that depicts the six (6) parcels that CCP has leased from the City of Salem.
3. CCP represents that the Main Lease is in full force and effect and there have been no amendments except the amendment, dated _____, 2003, which is attached to the Main Lease and entitled "Addendum to Airport Lease Agreement".
4. West One desires to sublease from CCP a portion of the property that CCP presently leases from the City of Salem (hereinafter "the Property"). A legal description of the Property is attached as Exhibit B and incorporated herein.

Attached as Exhibit C is a plat map which outlines the entire portion of the Property that is the subject matter of the Main Lease and which also shows that portion of the Property that is the subject matter of this Sublease (Exhibit B).
5. West One intends to develop the Property and to construct thereon a Hertz regional car rental support facility, which business will engage in the leasing, renting, selling and servicing of motor vehicles.
6. CCP is willing to sublease to West One the real property described in Exhibit B in its present form "As Is" and under the terms and conditions hereinafter set forth.

7. It is the intention of both parties that as to the Property (as described in Exhibit B) West One shall have all of the rights and obligations of CCP as contained in the Main Lease.
8. West One has made its own independent investigation of the Property described in Exhibit B and has determined that it is suitable for its contemplated development.

NOW, THEREFORE, In consideration of the mutual covenants and agreements contained herein, CCP does hereby sublet to West One the real property described in Exhibit B under the following terms and conditions:

1. **Recitals**: The Recitals herein are true and accurate and are set forth and are a part of this Sublease.

2. **Project Conditions**:

- 2.1 West One intends to construct a building (the "Building") and related improvements on, under and over the Property. The Building and all related improvements are referred to in this Sublease as the "Project". The Project and any future alterations, additions, replacements, or modifications to the Project during the term of this Sublease are referred to in this Sublease as the "Improvements". The preliminary plans and specifications for the Project are attached as Exhibit D and are incorporated into the Sublease by this reference. West One has completed its due diligence investigation as to the condition of the Property and has determined that the Project is feasible and enters into this Sublease agreement by accepting the Property in its present condition "As Is".

- 2.2 The Sublease is conditional upon the following conditions:

- 2.2.1 **Consent from the City of Salem**: CCP shall obtain from the City of Salem a written Consent and Attornment Agreement to sublease the Property to West One pursuant to the terms and conditions of this Sublease and to protect the interests of West One in the event that CCP is no longer an active Sublessor.

- 2.2.2 **Building Permits**: The issuance by the City of Salem of building permits reasonably required by West One so as to enable it to complete the Project.

- 2.3 The foregoing conditions are for the benefit of both parties and must be satisfied on or before 5:00 p.m. on _____, 2003 or this Sublease shall terminate and be of no further force and effect. In such event neither party shall have any further liability under this

Sublease except for liability accrued before the date of termination. CCP shall cooperate in all reasonable respects in connection with satisfying the conditions set forth in 2.2.2

3. **Construction of the Project:** No construction shall be carried out by West One except in accordance with the plans and specifications which have been approved in writing, in advance, by the City of Salem. It is agreed that any improvements, new construction, alterations and remodeling undertaken on the Property shall be at no cost to CCP and/or the City of Salem, and CCP and the City of Salem shall be held harmless from any costs incurred by West One in the construction of the Improvements.
4. **Term of Sublease:** This sublease shall be for a term commencing on the effective date hereof and ending on June 30, 2039, subject however to the fulfillment of the conditions set forth in Sections 2.1 and 2.2.
5. **Renewal:** If the Sublease is not in default at the time each option is exercised or at the time the renewal term is to commence, West One shall have the right to renew this Sublease for two (2) successive terms of ten (10) years each, as follows:
 - 5.1 Each of the renewal terms shall commence on the day following expiration of the preceding term.
 - 5.2 The option may be exercised by written notice to CCP (or its assigns) given not less than 120 day prior to the last day of the expiring term. The giving of such notice shall be sufficient to make the Sublease binding for the renewal term without further acts of the parties.
 - 5.3 The terms and conditions of the Sublease for each renewal term shall be identical with the original term, except that West One will no longer have any option to renew this Sublease that has been exercised. Rent for any renewal term shall continue as provided in Section 8 herein.
6. **Termination of the Lease by the City of Salem:** Section 2.03 of the Main Lease describes certain events of default by CCP which default would enable the City of Salem to terminate the Lease. CCP warrants that it will pay to the City of Salem, as and when due, all rents required to be paid by the terms of the Main Lease and that it will not otherwise do any act which would cause the Main Lease to become in default. CCP agrees to protect, defend and hold harmless West One from and against any loss, liability or claim arising out of its breach of the Main Lease.

By the written Consent and Attornment Agreement of this Sublease, the City of Salem agrees that Section 2.03 of the Main Lease (Termination) shall be modified to provide that any notice of default given by the City of Salem to CCP shall also be given to West One. It is agreed that West One may, at its option, elect to cure any default. If West One should elect to pay any sums to cure such default, the amount so paid by West One shall be immediately due and payable by CCP and shall bear interest at the rate of 10% per annum until paid. West One shall have the right of offset as to any sums that it may owe to CCP arising from the terms of this Sublease. In the alternative, West One may elect to exercise its rights under the Consent and Attornment Agreement and deal directly with the City of Salem as a lessee of the Property.

7. Termination of the Lease by CCP: Section 2.04 of the Lease Agreement describes certain events or time passage that would enable CCP to terminate all of the Lease (Section 1) or to terminate a portion of the leased property at the expiration of the first five (5) years of the Lease or upon the expiration of the second five (5) year period (Section 2). Providing that West One is not in default of its Sublease Agreement, CCP represents and warrants that it will not exercise any option to terminate that will adversely affect West One Sublease and will defend West One's right to quiet enjoyment of the lease premises during the original and any renewal terms of the Lease. In the event of the failure of CCP to maintain its relationship with the City of Salem for any reason and to protect the interests of West One, West One may elect to exercise its rights under the Consent and Attornment Agreement and deal directly with the City of Salem as a lessee of the Property.

8. Rental and Other Payments:

8.1 Base Rent: Each party is aware of all the terms and conditions of the Main Lease, including Article 3 thereof which provides for a base rent and further provides for a rental rate adjustment on July 1, 2002 and every third year thereafter. It is the intention of the parties that West One shall pay to CCP the same Base Rent for the Property that CCP is required to pay to the City of Salem according to the terms of the Main Lease:

8.1.1 The total square footage of the Property is 157,155 sq. ft. as of August 19, 2003. The Base Rent assessed by the City of Salem is \$0.45 per square foot. On July 1, 2005 there shall be a rental rate adjustment.

8.1.2 After July 1, 2006, West One shall pay any rental rate adjustment on the Property as calculated in accordance with the terms and conditions of Section 3.2 of the Main Lease. Within

ten (10) days from the date of the receipt by CCP of any Letter of Opinion as required by Section 3.2 of the Main Lease, CCP will provide a copy of the Letter of Opinion to West One.

8.2 Payment of Base Rent: Until the conditions stated in Section 2.2 are satisfied there shall be no Base Rent. Upon the fulfillment of the last condition set forth in Section 2.2, West One covenants and agrees to pay to CCP quarterly, in advance, base rent in the sum of \$17,679.44 until the next rental rate adjustment is made in accordance with Section 3.2 of the Main Lease. Base Rent shall for the Property shall begin on the date that the last condition set forth in Section 2.2 is satisfied.

8.3 Additional Rent, Development Costs: During the original term of this Sublease and any renewal thereof West One shall pay to CCP as additional rent the sum of \$6,150.00 quarterly in advance. Additional rent shall begin on the day that the last condition set forth in Section 2.2 has been satisfied.

8.4 Base Rent and Additional Rent shall be paid at such place as designated by CCP.

9. Taxes and Utilities:

9.1 Taxes: West One shall pay when due all real property taxes and special assessments levied against the Property including all the taxes and assessments when due against any buildings or other structures placed upon the Property by West One together with all taxes on its personal property located on the Property.

9.2 Prorating of Taxes: West Ones' share of the real property taxes and assessments for the year(s) in which this Sublease commences or terminates shall be prorated based upon the portion of the tax year that this Sublease is in effect.

9.3 Payment of Utilities: West One shall pay when due all charges for services and utilities in connection with its Sublease of the Property.

9.4 Payments by Lessor Recoverable from Lessee: CCP may, at its option, and with a ten (10) day advance written notice to West One, have the right at all times during the Sublease term to pay any taxes, assessments, water-sewer rates or other charges on leased premises and reversionary interest therein remaining unpaid after the same have become due and payable, and to pay, cancel and clear all tax sales, liens, charges and claims on or against reversionary interest therein, and redeem leased premises from the same, or any of them,

from time to time, and the amount paid, and all costs and expenses incurred by CCP, including reasonable attorney's fees, in connection with the performances of any such act, shall be so much additional rent due from West One at next rent day after any such payment with interest thereon at the rate of ten (10) percent per annum from the date of payment thereof by CCP, until the repayment thereof to CCP by West One.

If CCP, at its option advances or pays any such taxes, assessments, water-sewer rates or other charges, or pays, cancels and clears off any tax sales, liens or charges and claims on and against premises or the reversionary interest therein, it shall not be obligatory on CCP to inquire into the validity of any such taxes, assessments, water-sewer rates or other charges, or any such tax sale. Provided, however, that if West One shall be actively prosecuting its administration or legal remedies in protest of any tax, assessment, water-sewer rates or other charges, CCP shall not have the right to pay or advance sums referable thereto until such remedies shall have been exhausted.

10. Rights of West One:

- 10.1 Use of Non-Exclusive Public Airport Facilities: West One shall have the right on non-exclusive use in common with other authorized to do so, of all public airport facilities and improvements, which are now or hereafter at said airport. Such public airport facilities and improvements may be changed, altered or modified from time to time at the discretion of the City of Salem.
- 10.2 Quiet Enjoyment: CCP agrees that, on the prompt payment of the rent and performance of the covenants and agreements on the part of West One to be performed according to the terms of this Sublease, West One shall peaceably have and enjoy the subleased premises and all rights and privileges of the airport, its appurtenances and facilities.
- 10.3 Access to Public Utilities and Services: West One shall have the right to contract for and make connection to public services as available. West One shall be solely responsible for costs and disbursements incurred, pursuant to any such contracts and/or connections.
- 10.4 Signs: West One shall have the right to install or cause to be installed appropriate signs on the leased premises to advertise the nature of its business. The cost of such installations and operations shall be borne by West One.

West One shall not erect, install, operate or cause, nor permit to be erected, installed or operated upon the premises herein any sign or other advertising device without having obtained the written approval of CCP and the City of Salem. CCP shall not unreasonably withhold approval of the installation and/or maintenance of any such sign so long as the sign conforms to the Salem Sign Code or any other ordinance regulating the installation and/or maintenance of such signs and the regulations and restrictions of the Airport.

11. Permitted Use: The leased premises shall be used for the leasing, renting, selling and servicing of motor vehicles and for no other purpose without the written consent of CCP and the City of Salem.

12. Restrictions on Use: In connection with the use of the premises, West One shall:

12.1 Conform to all applicable laws and regulations of any public authority affecting the Property and the use, and correct at West One's own expense any failure of compliance.

12.2 West One shall not cause or permit any hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the premises. West One may use or otherwise handle on the premises only those hazardous substances typically used or sold in the prudent and safe operation of the business specified in Section 11. West One may store such hazardous substances on the premises only in quantities necessary to satisfy its reasonable anticipated needs. West One shall comply with all environmental laws and exercise the highest degree of care in the use, handling, and storage of hazardous substances and shall take all practicable measures to minimize the quantity and toxicity of hazardous substances, used, handled, or stored on the premises. Upon the expiration or termination of this Sublease, West One shall remove all hazardous substances from the premises. The term environmental law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term hazardous substance shall mean any hazardous, toxic, infectious or radioactive substance, waste, and material as defined or listed by any environmental law and shall include, without limitation, petroleum oil and its fractions.

13. Repairs and Maintenance:

13.1 CCP's Obligations: CCP shall not have any responsibilities relating to the Property or any of the buildings, structures, facilities and/or other improvements placed upon the Property by West One.

13.2 West One's Obligations and Responsibilities:

13.2.1 Operation: The buildings and improvements that West One places on the leased property shall all be constructed in conformance with all safety regulations of the State of Oregon and the City of Salem, and in compliance with the requirements of current building codes and fire regulations of the City of Salem.

13.2.2 Service to the Public: Should West One engage in any commercial activity upon the airport except the leasing, renting, selling and serving of motor vehicles, West One shall obtain an airport license for such activities from the City of Salem and any other permits from appropriate agencies as necessary to conduct the business.

13.2.3 Legal: West One agrees to observe and obey all the regulations and laws or any future changes in the regulations and laws of the following governmental bodies: the United States of America and its departments and agencies, the State of Oregon, the County of Marion, and the City of Salem.

13.2.4 Non-Discrimination: Pursuant to Title VII of the Civil Rights Act of 1964, and the requirements Part 15 of the Federal Aviation Regulations, West One agrees it will not on the grounds of sex, age, race, color or national origin, or permit discrimination against any person or group of persons in any manner prohibited by Part 15 of the Federal Aviation Regulations.

13.2.5 Maintenance of Premises: West One agrees, at its own cost and expense, to cause the leased premises, landscaping, facilities and all buildings and improvements construction thereon, to be maintained in a presentable condition, equal in appearance and character to other similar improvements on said Airport, and to keep and maintain all buildings erected by it on the leased premises in good repair during the term hereof, or any extension as provided herein. It is agreed that by the terms of the Main Lease, the City of Salem shall be the sole judge of the quality of maintenance and that the City of Salem may, upon written notice to CCP, require CCP to perform all necessary maintenance to comply with any and all life, health, safety and environmental requirements of any governmental agency. Should CCP receive any such notice, it shall promptly provide a copy to West One and upon receipt thereof, West One will promptly undertake and complete any and all maintenance

required by the City of Salem as contained in its written notice to CCP. If the required maintenance is not promptly undertaken by West One after receipt of a copy of such notice, CCP and/or the City of Salem may perform such maintenance on behalf of West One and at West One's expense, plus ten (10%) percent for administration with thirty (30) days advance written notice to West One.

- 13.2.6 Surface and Building Drainage Connections: All surface drainage on the Property including roof drainage and caught water shall be conducted via proper underground drains to an established drainage ditch and/or connected into such drain pipe as West One may have installed in a manner approved by the City of Salem in conformance with applicable codes of the City of Salem.
- 13.2.7 Garbage and Waste Removal: West One agrees to cause to be removed at its own expense from the subleased premises all waste, including all petroleum products, garbage and rubbish and agrees not to deposit the same, except temporarily in connection with collection for removal, on any part of the subleased premises, the drainage system or other property of the City of Salem constituting the Airport.
- 13.2.8 Fire Prevention: West One shall exercise due and reasonable care and caution to prevent and control fire on the Property and to that end shall install suitable fire extinguishers throughout the Improvements in accordance with rules and regulations as set forth by the City of Salem Fire Marshall. All paints and oils shall be stored in suitable protected outbuildings or compartments in accordance with rules and regulations as set forth by the Fire Marshall.
- 13.2.9 West One's Environmental Warranties: West One agrees with and represents and warrants to CCP that it shall not cause or permit any Hazardous Substances or other dangerous toxic substances or any Solid Waste to be generated, manufactured, refined, transported, treated, stored, disposed, handled, processed, produced or released on the Demised Premises except in compliance with all applicable federal, state and local laws and regulations.
- 13.2.10 Vacation of Public Right of Way: The parties acknowledge Article 1 (Premises) paragraph 2 of the Main Lease. West One expressly agrees that it will, at its sole and exclusive expense, assume all of the obligations of CCP as set forth in Article 1,

Section 1.01, paragraph 2 and agrees to save CCP harmless from the terms and conditions of that portion of the Main Lease. West One expressly covenants and agrees that prior to the development of the Property, the realignment of the public access road extending from 25th Street shall be completed as provided in Article 1, Section 1.01, paragraph 2 of the Main Lease.

14. **Encumbrances:** It is understood and agreed that West One is given the right to mortgage the leasehold created by this Sublease for any amount not to exceed \$_____ and for any term not extending beyond the Sublease term and any extension thereof, and if in fact the Property and/or the Improvements are in fact mortgaged and CCP has been given notice thereof, including the Mortgagee's address, CCP shall not have the right to terminate this Sublease or retake possession of the Property and/or Improvements or expel West One unless written notice of the occurrence of such default is given or mailed by CCP to the Mortgagee at such address, and CCP shall not have the right to terminate the Sublease and retake possession if, within forty-five (45) days following the giving of such notice, the event of default is cured, or there is instituted by the Mortgagee a suit to foreclose its mortgages on the sublease interest, and such suit is diligently prosecuted to conclusion. Provided, however that CCP shall have the right at its option to terminate the Sublease and retake possession of the Property and/or Improvements as set forth above unless, within forty-five (45) days following the giving of written notice of the occurrence of such default, the Mortgagee cures any and all defaults of West One with the respect to the payment of rent or the making of any other money payments called for by the terms of the Sublease, and continues to promptly make all required said rental and money payments until the defaults are cured, or the mortgage is foreclosed as the case may be. The Mortgagee is hereby given the power and authority at its option to cure all such events of default, which may be cured by West One, and in the name and place of West One.

In the event a mortgage on the leasehold is foreclosed, the purchaser at the foreclosure sale may assign, sell or otherwise dispose of the Leasehold interest, subject to the approval of CCP of any assignment or Assignee. Any assignee must meet all standards for a sublessee under the terms of the Main Lease in order to obtain the City of Salem approval of the assignment.

15. **Assignment, Transfer and Subleasing:** West One shall not assign, sublease or transfer any of the rights, privileges, uses or interest arising from this Sublease without first having obtained the written consent of CCP and the City of Salem, neither of which will be unreasonably withheld. In the event of any permitted assignment or sublease of this

Sublease, West One shall remain obligated and liable under all the terms and conditions of this Sublease as if there had been no assignment or sublease. Any sublease or assignment shall provide nothing in such assignment or sublease that shall be construed to modify in any way the provisions of this Sublease and in the event of a conflict between the language of this Sublease and the language of the assignment, the language of this Sublease will govern. Each and every request by West One for consent of assignment or sublease during the terms of the Sublease shall be accompanied by an administrative fee of Five Hundred and No/100 Dollars (\$500.00), which CCP shall pay to the City of Salem as required by Section 5.15 of the Main Lease. The failure of West One to pay such fee shall be deemed sufficient cause for withholding of consent by CCP. Said fee is deemed earned when received and is not refundable regardless of the consequences. In the event West One sublets any portion of this Sublease, West One's Sublessee must cooperate with the City of Salem and with CCP in seeing that these standards are complied with. Approval of any proposed Sublessee of West One by the City of Salem and CCP will be based upon the following:

1. The proposed assignment or subletting will be only to individual firms, corporations or LLC's who can meet the required qualifications and stipulations of these standards.
2. Conformity with the Airport Master Plan and the Standards of Chapter 9 of the Salem Revised Code.
3. Continuity of performance standards.

16. Rights of the City of Salem: By the terms and conditions of the Main Lease, the City of Salem stipulated certain Lessor rights which are set forth in Section 6 of the Main Lease. West One acknowledges these rights and agrees to abide by the terms thereof and save CCP harmless therefrom.

17. Indemnity: West One agrees fully to indemnify and save and hold harmless CCP and the City of Salem from and against all claims and actions and all expenses, incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to third persons or their property, caused by the fault or negligence of West One, its agents or employees, in the use or occupancy of the subleased premises by West One, provided further that CCP and/or the City of Salem shall give to West One prompt and reasonable thirty (30) days written notice of any such claims or actions and West One shall have the right to investigate, compromise and defend same.

18. **Insurance:** West One agrees to carry and keep in force at its own expense public liability insurance covering personal injury and property damage, and other such insurance as may be necessary to protect CCP and the City of Salem herein from such claims and actions aforesaid. West One agrees to carry and keep in force such insurance, which shall provide coverage of at least that matching liability limits under the Oregon Tort Claims Act, O.R.S. 30.260 et seq, currently \$200,000 bodily injury, \$100,000 property damage, and \$500,000 aggregate per occurrence.

West One shall furnish CCP a certificate of insurance or other satisfactory evidence that West One has such insurance policy, including limits and expiration date. Such certificate shall provide for thirty (30) days prior written notice of cancellation to CCP and the City of Salem and that CCP and the City of Salem are named as additional insured.

CCP reserves the right to restrict West One from conducting any activity or storing flammable materials or substances which may be in conflict with allowed uses per UBC/Zoning regulations.

The insurance coverage stated shall be adjusted by West One at the request of the City of Salem. Any such adjustment shall be consistent with mandated requirements for governmental agencies and be based upon current industry standards at the time of the adjustment.

19. **Title to Improvements:** Title to the Improvements shall be and remain in West One until the expiration of the Sublease term unless this Sublease is terminated sooner as provided. Upon such expiration or sooner termination, title to the Improvements shall automatically pass to and vest in CCP without further action on the part of either party and without cost to CCP.

20. **Default:** The following shall be events of default:

20.1 **Default in Rent:** Failure of West One to pay any rent or other charge within ten (10) days after written notice that it is due.

20.2 **Default in Other Covenants:** Failure of West One to comply with any term or condition or fulfill any obligation of the Sublease (other than the payment of rent or other charges) within thirty (30) days after written notice by CCP specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if West One begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

20.3 Insolvency: Insolvency of West One; an assignment by West One for the benefit of creditors; the filing by West One of a bankrupt or the appointment of a receiver of the properties of West One; the filing of any involuntary petition of bankruptcy and failure of West One to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of West One to secure discharge of the attachment or release of the levy of execution within ten (10) days shall constitute a default.

21. Remedies on Default:

21.1 Termination: In the even of a default the Sublease may be terminated at the option of CCP by written notice to West One. Whether or not the Sublease is terminated by the election of CCP or otherwise, CCP shall be entitled to recover damages from West One for the default, and CCP may reenter, take possession of the Property and Improvements, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

21.2 Reletting: Following reentry or abandonment, CCP may relet the Property and in that connection may make any suitable alterations or refurbish the Property, or both, or change the character or use the Property, but CCP shall not be required to relet for any use or purpose other than that specified in the Sublease or which CCP may reasonably consider injurious or to consider objectionable. CCP may relet all or part of the Property, alone or in conjunction with other properties, for a term longer or shorter than the term of this Sublease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

21.3 Damages: In the event of termination or retaking of possession following default, CCP shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Sublease term, the following amounts as damages:

21.3.1 The loss of rental from the date of default until a new tenant is, or with the exercise of reasonable efforts could have been, secured and paying out.

21.3.2 The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of West One's property and fixtures, costs incurred under Section 15.5,

or any other expense occasioned by West One's default including but not limited to, any remodeling or repair costs, attorney fees, court costs, broker commissions, and advertising costs.

21.3.3 Any excess of the value of the rent and all of West One's other obligations under this Sublease over the reasonable expected return from the premises for the period commencing on the earlier of the date of trial or the date the premises are relet, and continuing through the end of the term. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of major Oregon banks in effect on the date of trial.

21.4 Right to Sue More Than Once: CCP may sue periodically to recover damages during the period corresponding to the remainder of the Sublease term, and no action for damages shall bar a later action for damages subsequently accruing.

22. Condemnation of Subleased Property: If the entire Property is taken by eminent domain for appropriation to public use or a portion sufficient to render the remaining subleased Premises reasonably unusable for the use(s) for which West One was making of the Property, during the term of this Sublease (including renewals thereof), this Sublease shall terminate and Sublessee shall have no further right or claim to the Property. From any rewards received for the taking, CCP shall receive that portion for the land and West One shall receive the balance representing its owner improvements. If a portion of the Property is taken by eminent domain that would not render the subleased Premises unusable, the Sublease shall continue, subject to adjustment in the rent. If the issue of rent adjustment can not be agreed upon by the parties, the matter shall be submitted to arbitration.

23. General Provisions:

23.1 Holding Over: In the event that West One shall remain on the Property after the expiration or sooner termination of the term of this Sublease, such holding over shall not constitute a renewal or extension of this Sublease. CCP may, at its option, elect to treat West One as one who has not removed at the end of the Sublease term, and thereupon be entitled to all remedies against West One provided by law, or CCP may elect, at its option, to construe such holding over as a tenancy from month to month, subject to all rent in advance, the monthly rent being the monthly fair market value of the Property and Improvements located thereon.

- 23.2 Property Uses: Neither this Sublease nor CCP guarantee that any particular use may be made of the Property. West One has investigated with all appropriate governmental agencies that could impose restriction on any development to verify uses and/or construction restrictions. CCP makes no representations as to the condition of the Property including but not limited to soil conditions, presence of private utilities or underground obstructions.
- 23.3 Nonwaiver: Waiver by either party of strict performance of any provision of this Sublease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.
- 23.4 Attorney's Fees: If suit or action or arbitration proceeding is instituted in connection with any controversy arising out of this Sublease, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court or the arbitrator may adjudge as reasonable fees of the proceeding, trial or petition for review, and an appeal.
- 23.5 Subordination: This Sublease is subordinate to the provisions of any existing or future agreements between the City of Salem and the United State or any agency thereof relative to the operation or maintenance of the airport.
- 23.6 Time of Essence: Time is of the essence of the performance of each of west One's obligations under this Sublease.
- 23.7 Upon the termination of this Sublease through the passage of time or otherwise, West One shall have no further right or interest in the Property and Improvements and CCP shall be entitled to have the Property and Improvements return to CCP immediately.
- 23.8 This Sublease: Nothing in this Sublease shall be construed so as to modify in any way the provisions of the Main Lease between CCP and the City of Salem, except as specifically set forth herein, and in the event of a conflict between the langue of the Main Lease and this Sublease, the language of the Mian Lease will govern.
- 23.9 Notice: Any notice permitted or required by the terms of this Sublease shall be given when actually disclosed or when deposited in the mail, registered or certified, and addressed as follows:

To Carpenter Commercial Properties:
1930 Lewis Street SE
Salem, OR 97302

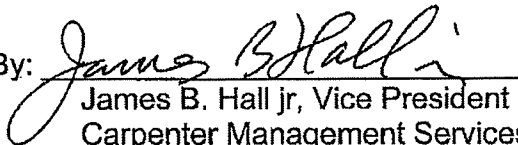
To West One Automotive Group, Inc.:
2046 NW Irving
Portland, OR 97209

To the City of Salem:
Department of Community Development
Urban Development Division
555 Liberty Street SE, Room 305
Salem, OR 97301

23.10 Arbitration. Any claim, controversy or dispute between the parties out of or relating to this Lease Agreement, or to the interpretation or breach thereof, shall be resolved by arbitration in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc. or the then effective commercial arbitration rules of the American Arbitration Association, whichever organization is selected by the party which first initiates arbitration by filing a claim in accordance with the filing rules of the organization selected, and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof, but nothing in this paragraph shall preclude lessor from bringing, maintaining and concluding an action against lessee for forcible entry or wrongful detainer, and this paragraph shall not apply to any dispute which is encompassed within such legal action.

23.11 Entire Agreement: This Sublease contains the entire agreement between the parties. There are no verbal agreements, representations, warranties or other understanding affecting this Sublease.

In Witness Whereof, CCP and West One have caused this Sublease to be executed by their duly authorized officers.

By: 
James B. Hall jr, Vice President
Carpenter Management Services Inc.
Manager of Carpenter Commercial Properties LLC

West One Automotive Group, Inc.


By: 
Ted L. Anderson, President

Consent and Attornment Agreement

The City of Salem, a municipal corporation, as the owner of the Property described in Exhibit B of this Sublease and the Lessor under the Main Lease hereby consents to the Sublease, including the terms and conditions thereof with the express understanding that Carpenter Commercial Properties LLC shall remain obligated and liable under all the terms and conditions of the Main Lease dated June 21, 1999 as if there has been no Sublease. By the terms of this consent to sublease, the City of Salem agrees that a copy of any notice given to CCP shall also be sent to West One at the address set forth in the Sublease.

The City of Salem and West One mutually agree that in the event CCP, or its successors or assigns, is in any manner or for any reason unwilling or unable to fulfill its duties as a lessee under the Main Lease or as a sublessor under the Sublease, (1) that West One will accept the City of Salem as sublessor under the Sublease and perform its obligations under the Sublease for the use and benefit of the City of Salem, and (2) that the City of Salem will act as sublessee under the Sublease and continue the terms and conditions of the Sublease with West One concerning the Property that is subject to the Sublease, as long as West One is not otherwise in default under its terms.

City of Salem, a municipal corporation

By: 
Robert DeLong, City Manager

West One Automotive Group, Inc.

By: 
Ted L. Anderson, President